

**LEMON GROVE SUCCESSOR AGENCY  
AGENDA ITEM SUMMARY**

**Item No.** 1.J  
**Mtg. Date** September 1, 2015  
**Dept.** Finance

**Item Title:** Recognized Obligation Payment Schedule (January 1, 2016 – June 30, 2016)

**Staff Contact:** Cathy Till, Finance Director

**Recommendation:**

Approve the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2016 through June 30, 2016 (ROPS 2015-16(B)).

**Item Summary:**

The purpose of this agenda item is to present the ROPS 2015-16(B) for approval by the Successor Agency Board.

**Fiscal Impact:**

None.

**Environmental Review:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review         | <input type="checkbox"/> Negative Declaration           |
| <input type="checkbox"/> Categorical Exemption, Section [       ] | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Recognized Obligation Payment Schedule (January 1, 2016 – June 30, 2016)



# Attachment A

## LEMON GROVE SUCCESSOR AGENCY STAFF REPORT

Item No. 1.J

Mtg. Date September 1, 2015

Item Title: **Recognized Obligation Payment Schedule (January 1, 2016 – June 30, 2016)**

Staff Contact: Cathy Till, Finance Director

### Discussion:

The State requires all Successor Agency Oversight Boards to approve the Recognized Obligation Payment Schedule for the period of January 1, 2016 to June 30, 2016 (ROPS 2015-16(B)) by October 5, 2015. In order to meet that deadline, staff presents the ROPS 2015-16(B) to the Lemon Grove Successor Agency Board for consideration prior to the October 5<sup>th</sup> deadline. On August 25, 2015, the Successor Agency Oversight Board adopted a resolution approving the ROPS 2015-16(B) and authorized Successor Agency staff to submit the document to the County of San Diego, the State of California Department of Finance, and the State Controller's Office for review and approval. The purpose of this agenda item is to present the ROPS 2015-16(B), for consideration.

The ROPS 2015-16(B) document includes the following:

- A summary detailing the amount requested;
- ROPS detail for the period January 1 – June 30, 2016;
- Cash balances information;
- Prior period adjustments page for the January 1—June 30, 2015 ROPS period showing prior period estimates compared to actual payments; and
- A notes page.

Overall, the ROPS identifies a total of \$1,724,634 in anticipated expenditures between January 1, 2016 and June 30, 2016.

The following subsections provide information about the expenditures identified in the ROPS 2015-16(B).

### Bond Debt Service

- During the ROPS 2014-15(B) period, debt service payments are due for the 2007, 2010, and 2014 Tax Allocation Bonds. The three payments, totalling \$537,212, will be made from the Residual Property Tax Trust Fund (RPTTF).

### Lemon Grove Avenue Realignment

The ROPS 2014-15(B) identifies \$500,000 in Lemon Grove Avenue Realignment expenditures to be paid during this period. These expenditures are allocated from bond proceeds.

In addition, there is an Outstanding Obligation of \$2,162,973 which represents the amount to be expended from bond proceeds for the project. The Successor Agency currently holds these funds in an investment account.

### Miscellaneous

In addition, the following items are identified in the ROPS 2015-16(B):

# Attachment A

- \$125,000 Administrative Allowance – this reflects staff time and other administrative costs in administering the Successor Agency and is paid from RPTTF monies; and
- \$201,574 Side Fund Liability (previously approved) ; and
- \$167,795 Prior Period Shortfall (previously approved) ; and
- \$125,000 Administrative Allowance for staff and overhead costs; and
- \$527,838 Actuarial Unfunded Liability (previously approved); and
- \$165,215 Overpayment to the County (previously approved by the Board, but denied by the Department of Finance).
- \$545,686 to be held in a U.S. Bank account as a reserve for the August 2016 bond payments required by the 2014 refunding bond.

At the present time the Successor Agency is not requesting funding for the obligations listed below. However, these items are included as “placeholders” on the ROPS in the event future RPTTF is available to the City to pay them.

- City Loan (\$3,160,748) – this is due to the City as of January 31, 2012. Currently, the City is not eligible to be repaid due to a pending lawsuit the Agency has against the DOF as well as pending legislation disallowing all City loans to former Redevelopment Agencies.

## Fiscal Analysis

In total, there are \$30.9 million in outstanding Agency obligations. Of that, \$28.7 million will be funded with RPTTF. This includes bond debt service (\$24.5 million), City loans to the former Agency (\$3.5 million) and \$729,400 in pension liability costs. In addition, there is a the reimbursement for the City’s administrative costs. Finally, there is the Lemon Grove Avenue Realignment project, which currently has a balance of \$2,162,973 as outlined in the Report of Cash Balances, which is part of the ROPS reporting requirements.

## **Conclusion:**

Staff recommends that the Successor Agency Board approve the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2016 through June 30, 2016 (ROPS 2015-16(B)).